

**INTERNATIONAL JOURNAL OF LAW**  
**MANAGEMENT & HUMANITIES**

**[ISSN 2581-5369]**

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**Volume 4 | Issue 3**

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**2021**

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# A Comprehensive Evaluation of Inventors Right in Patent Law

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## ABSTRACT

*Inventorship and control of inventions are important legal concepts in patent law and practise, but they are still misunderstood by many, resulting in conflicts between parties and, in some cases, legal disputes. We'll look at some simple but relevant questions regarding inventorship and ownership in this article, with the aim of helping inventors and patent owners better understand the value of anticipating their rights and obligations. Moral and economic rights are included in patent rights relating to inventions. Only the legitimate owner of the invention may apply for a patent. Unless it has been assigned to another entity under a contract or by applicable statute, the author is the legal owner of the invention. The legal rights to the invention belong to the inventor, which include the right to have his or her name associated with it. This grants the inventor the right to be referred to as the invention's "inventor" and to have his or her name listed on the patent certificate, regardless of whether the invention is owned by the inventor or not.*

## I. INTRODUCTION

The Patent Act protects an inventor's invention by granting him sole ownership of the invention and protecting him from misuse or unauthorised use by others. The monopoly granted by a patent is not absolute. The Patents Act strikes a good balance between the general public's interest and the patentee's individual rights. It is a fettered right that is subject to any predetermined limitations<sup>3</sup>.

The Indian Patents Act, Section 107 A, specifies the actions are not considered infringement for the purposes of the Act. Act 38 of 2002, which took effect on May 20, 2003, incorporated the provision into Indian law. This is in accordance with TRIPS Articles 28 and 30, which deal with patentee privileges and exceptions. In Bayer Corporation v. Union of India, the Delhi High Court thoroughly interpreted Section 107 A of the Patents Act 1970, or the Bolar

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<sup>3</sup> Kuntz, R. J., Dann, C. M., & Marcy, W. (1972). The Inventor's Patent Rights and Rewards. *Research Management*, 15(1), 64–74. <https://www.jstor.org/stable/24116162>

provision under the Act<sup>4</sup>. Simply put, if the use of a patented invention is properly linked to comply with certain regulatory laws, be they those of India or outside India, it shall not infringe the exclusive rights of the patent proprietor under Sec 48 of the Act and count as an infringement of the patent<sup>5</sup>.

Patentees' Rights are specified in Section 48 of the Patents Act of 1970. If the patentee's subject matter is a commodity, the Section gives the patentee the exclusive right to bar third parties from using, manufacturing, selling, or importing the product in India. In the same way, if the patentee's subject matter is a process, the patentee has the exclusive right to bar third parties from using the process to market the product obtained directly via that process in India.

The multiple types of patentee rights are:

#### **(A) Right to Use and Enjoy Patent**

The patentee has the exclusive right to exercise, use, create, sell, or transmit the patented substance or article in India, as well as to practise or use the invention's method or techniques. The patent must be granted in accordance with Section 46(1), which reaffirms the patentee's exclusive right to use the patent.

#### **(B) Right to Grant License**

A patentee's power to claim rights or request licences is granted, as well as the ability to enter into an arrangement for a fee. The licence or assignment must be in writing and recorded with the Patent Controller in order to be lawful and legal.

#### **(C) Right to Exploit the Patent**

The exclusive right of a patentee to obtain commercial value from his invention is recognised by patent law. When a patent is issued, the patentee is given monopolistic rights as an opportunity to share his invention with the general public<sup>6</sup>.

#### **(D) Right to Sue for Infringement**

The patentee has the right to sue for infringement of his or her patent. A patentee has the choice to give up his patent. Anyone may use or make a patented article or use a patented technique solely for the purpose of studying, evaluating, or advising students.

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<sup>4</sup> 2014 (60) PTC 277 (Bom)

<sup>5</sup> Sood, V. (2020, November 26). *Rights of a Patentee under Indian Law*. Legal Bites - Law And Beyond. <https://www.legalbites.in/rights-of-a-patentee-under-indian-law/>

<sup>6</sup> *Nishith Desai Associates: Export of patented product by a non-patentee for obtaining regulatory approval allowed: Delhi High Court*. (n.d.). Retrieved February 4, 2021, from <https://nishithdesai.com/information/news-storage/news-details/article/export-of-patented-product-by-a-non-patentee-for-obtaining-regulatory-approval-allowed-delhi-high-c.html>

### **(E) Right to Surrender**

A patentee has the right to forfeit a patent at any time and on his or her own initiative by providing written notice in a specific manner.

## **II. SEC 48 WITH RESPECT TO INDIAN PRECEDENTS**

In the case of *Bayer Corporation v. Union of India*<sup>7</sup> & Ors and *Bayer Intellectual Property GmbH & Anr v. Alembic Pharmaceutical Ltd*<sup>8</sup>, the High Court of Delhi, in the consolidated judgment, adjudicated the issue of whether Alembic's exporting of Bayer's Rivaroxaban for non-commercial purposes falls within the scope of Sec 107A of the Act. The court observed and contrasted the exclusivity granted on a patentee, i.e. acts constituting infringement under Sec 48 and acts not constituting infringement under Sec 107A, while interpreting that "exports" are within the purview of "selling" as specified in Sec 107A (a).

Although interpreting that "exports" are within the purview of "selling" as specified in Sec 107A(a), the court noted and contrasted the exclusivity granted on a patentee, i.e. actions constituting infringement under Sec 48 and acts not constituting infringement under Sec 107A. The court went on to say that if the process of developing a patented invention and obtaining manufacturing and marketing approval were to begin after the term of the patent had expired, the patentee would have the exclusive right to manufacture, market, and sell the product before someone else came along. A non-patentee will begin manufacturing and marketing pharmaceutical products as soon as the patent term expires.

The decision is being challenged by Bayer in an appeal before a Division Bench of the Delhi High Court, only insofar as it relates to Natco Pharma, which is manufacturing sorafenib tosylate under a compulsory licence; until the trial, Natco Pharma is barred from exporting the patented invention that is the subject of the compulsory licence<sup>9</sup>. However, it is important to demonstrate that the patented invention is being sold solely for the purpose of production and submission of information needed by any law currently in force in a country other than India that governs the manufacture, selling, construction, usage, or import of any patented invention<sup>10</sup>.

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<sup>7</sup> 2014 (60) PTC 277 (Bom)

<sup>8</sup> CS(Comm)1592 of 2016)

<sup>9</sup> *Patent Does Not Confer Absolute Monopoly—Intellectual Property—India*. (n.d.). Retrieved February 1, 2021, from <https://www.mondaq.com/india/patent/700958/patent-does-not-confer-absolute-monopoly>

<sup>10</sup> *Patent Infringement*. (2020, January 28). S.S Rana & Co. <https://ssrana.in/ip-laws/patents/patent-infringement-india/>

### III. PATENTEE

Sec 2(f) describes patentee as the person who is the true and first inventor of the invention and whose name is entered on the patent register as the patentee in compliance with the Patents Act, as well as any other person who is the true and first inventor of the invention where more than one person is registered as patentee under that Act in respect of that patent<sup>11</sup>.

### IV. PATENTS OF ADDITION

A patent application for alteration or enhancement of the invention mentioned or disclosed in the main application for which the patentee has already applied for or received a patent is known as a patent of addition<sup>12</sup>.

Patents of Addition are governed by sections 54, 55, and 56 of the Act. It can be useful for safeguarding goods or processes in India, as well as their developments and variations. For certain patents in addition, the patentee may not even have to pay a renewal charge. These benefits are counterbalanced by the fact that a patent of addition cannot last longer than the main patent. Another method under the Act to discourage "evergreening" of closely related innovations appears to be this strategy.

A patent of addition should be filed on the same day as or later than the main application's filing date. As a result, a patent of addition may be filed even after the main claim has been granted. Since there are no specific rules regulating the priority date of addition patents, the default rule will apply: the date of filing of the addition patent will be considered the priority date, subject to other Act provisions.

Any such patent of addition must include a reference to the main patent or the application for the main patent, as well as a conclusive declaration that the inventive is an enhancement or alteration of the invention stated in the complete specification of the main application, according to Rule 13(3) of the Patents Rules<sup>13</sup>.

Ravi Kamal Bali v. Kala Tech and Others<sup>14</sup> where the Bombay High Court dismissed the defendant's argument that patent of addition can only be granted if it has an inventive step over the main application. Sec 56(2) clarifies that when deciding the novelty of the patent of

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<sup>11</sup> *Patent Law in India—Intellectual Property—India*. (n.d.). Retrieved February 4, 2021, from <https://www.mondaq.com/india/patent/54494/patent-law-in-india>

<sup>12</sup> *Patent of addition | Lakshmikumaran & Sridharan Attorneys*. (n.d.). Retrieved February 4, 2021, from <https://lakshmisri.com/insights/articles/patent-of-addition/#>

<sup>13</sup> Giarratana, M. S., Mariani, M., & Weller, I. (2017). Rewards for Patents and Inventor Behaviors in Industrial Research and Development. *Academy of Management Journal*, 61(1), 264–292. <https://doi.org/10.5465/amj.2015.0633>

<sup>14</sup> 3 2008 (110) Bom L.R. 2167

addition, the disclosure in the main application/patent is taken into account. If there appears to be a serious risk that a later modification/improvement would fail innovative phase as compared to the basic invention, the applicant may choose to file the improvement/modification as a patent of addition.

According to Section 55 of the Act, a patent of addition shall have the same name as the main application, shall remain in effect as long as the main application is in force, and shall expire with the main application. The fact that there is no separate renewal charge for a patent of addition balances out the term restriction. If the main application is repealed, the patent of addition can, at the patentee's request, become an independent patent for the remainder of the term and continue to be in effect.

## **V. FIRST TO FILE OR FIRST TO INVENT**

The FTF scheme, in which patents are awarded solely on the basis of priority date, is used by the majority of countries. Previously, the United States was one of the few countries that used the FTI scheme. However, in 2013, it moved to a scheme known as "first inventor to register," which is basically an FTF system with the exception that prior art disclosures made during the previous year are not considered unless they come from the application itself.

Sec 6(1)(a) of the Indian Patent Act states that the inventor must be the "true and first inventor" of the invention. This will imply that the person filing the patent application must be the true inventor (or inventors) of the invention. Second, the actual inventor must be the original inventor (or inventors) of the invention, i.e., the first to invent. This clause seems to imply that India uses the FTI scheme. However, according to popular belief among academics and professionals in the region, India uses the FTF scheme.

The term "true and first inventor" excludes either the first importer of an invention into India or the first person to whom an invention is communicated from outside India. An individual may challenge the grant of a patent on the grounds that "the applicant for the patent or the person under or through whom he claims, wrongfully obtained the invention or any part thereof from him or from a person under or through whom he claims," according to Sections 25(1)(a) and 25(2)(a) of the Act.

Furthermore, Sec 64(1)(b) states that a patent may be revoked if it was issued on the application of an individual who was not allowed to apply under the provisions of this Act. This clause, when combined with Section 6 of the Act, can be interpreted in a way that allows the patent to be revoked in favour of the "original and first inventor." Section 6 of the Indian Patent Act uses the term "actual and first inventor."

This description was carried over into the Patents Act of 1883, which declared that any patent issued to anyone other than the “true and first inventor” under Section 6 of the Statute of Monopolies would be null and void.

Despite this, the UK adhered to the FTF scheme. This is because the word "real and first inventor" has little significance without disclosure, since there is no value to society as a whole without disclosure, and it's as if the invention never existed in the first place. As a result, just having an idea is worthless. This first-to-disclose rule evolved into the current first-to-file rule.

“The real and first inventor in the legal sense of the word is the person who actually makes an invention and is the first to reveal that invention, and a legitimate patent may be issued to him given the possibility that the invention was previously made by someone who did not disclose it<sup>15</sup>”.

The reasoning behind this argument is that the individual who first takes his invention to the Crown and discloses it to the public is entitled to the invention's benefits. As a result, the “true and first inventor” is not the first to invent, but the first to register, since the invention is revealed to the public by filing. As a result, the first to file is also the first to invent.

It is clear that India follows an FTF scheme when the Indian Act is interpreted in light of the Statute of Monopolies and the existing law in England at the time. We might still be able to reconcile the Act's provisions in their ordinary sense with the Act's legislative history.

## VI. INFRINGEMENT SUIT

A patent infringement case may be brought by the patentee herself or himself. If a patent is licenced exclusively, the exclusive licensee's rights to sue for infringement are equal to that of the patentee. The patentee must be made a party to the proceedings, either as a complainant or as a defendant, by the exclusive licensee<sup>16</sup>.

The Patents Act of 1970 also allows a licensee who has been issued a compulsory licence to notify the patentee of the infringement and demand that he or she take action to avoid the infringement<sup>17</sup>. If the patentee fails to do so within two months of being notified, the licensee could file suit as if she or he were the patentee, making the patentee a defendant in the case<sup>18</sup>.

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<sup>15</sup> Treatise on the Law and Practice relating to Letters Patent for Inventions, 2<sup>nd</sup> ed., 1898

<sup>16</sup> Award the Inventor, But How? • Intellectual Property Expert Group. (2015, September 29). *Intellectual Property Expert Group*. <https://www.ipeg.com/award-the-inventor-but-how/>

<sup>17</sup> Fair use of patented invention in India by third parties. (n.d.). *S. Majumdar & Co*. Retrieved February 3, 2021, from [https://www.majumdarip.com/blog\\_post/bolar-provision/](https://www.majumdarip.com/blog_post/bolar-provision/)

<sup>18</sup> *Can manufacture for export cause patent infringement?* | *LexOrbis*. (n.d.). Retrieved February 4, 2021, from <https://www.lexorbis.com/can-manufacture-for-export-cause-patent-infringement/>

Any person, not being the patentee or exclusive licensee, may institute an action for declaration of non-infringement upon satisfying both of the following conditions<sup>19</sup>:

- 1) That such a person has written to the patentee or exclusive licensee for a written acknowledgement of the declaration sought, along with all particulars of such communication;
- 2) That the patentee or exclusive licensee has refused or neglected to give such as acknowledgement.

Sec 104-114 of IPA 1970 states guidelines related to patent infringement. There are two types of patent infringement.

- 1) Direct Infringement
- 2) Indirect Patent Infringement (Doctrine of Equivalents)

When a product that is similar to a copyrighted product or invention is used commercially without the permission of the patent owner, it is known as direct infringement. When each feature asserted is similar to the allegedly infringing device or operation, this is known as indirect patent infringement or doctrine of equivalents. Literal violation is another term for it.

An argument is considered equivalent under the theory of equivalents if it passes the "triple test," which states that equivalence exists when the substituted elements perform the same operation in the same way to achieve the same results. A patentee may sue for damages starting from the date the application was released. However, the patentee can institute a suit for infringement only after a patent is granted.

According to Section 104, no infringement suit can be filed in a court lower than the District Court that has jurisdiction to hear the case, even though the defendant files a counterclaim for revocation of the patent. If a patent is issued for a method of obtaining a commodity, the defendant must show that the method he uses is not the same as the patented method.

In the case of infringement of a proprietary process, Section 104(A) has reversed the burden of evidence. The court will pass the burden of proof to the defendant whether the patent's subject matter is a method for obtaining a new product or there is a significant resemblance that an equivalent product is produced by the patented process.

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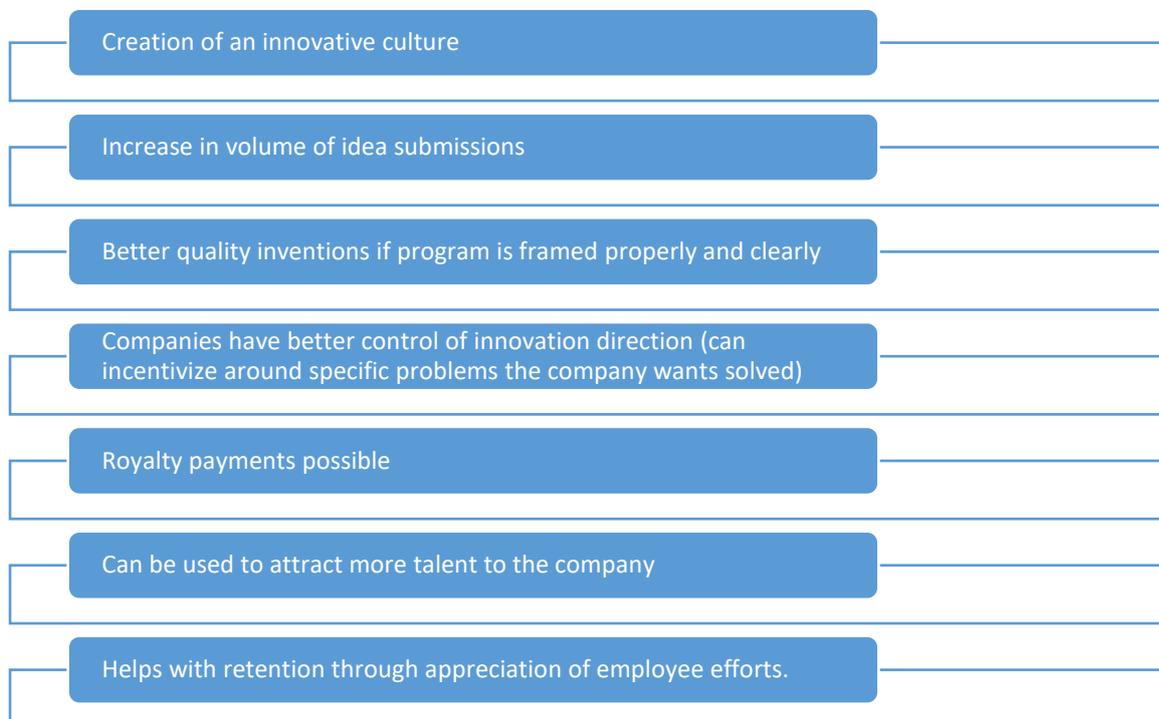
<sup>19</sup> An, Shanker, -Archana, & Suri, G. (n.d.). *A concise guide to patent law in India | Lexology*. Retrieved February 4, 2021, from <https://www.lexology.com/library/detail.aspx?g=ab9ae0e5-363c-434b-877e-68c18419e286>

## VII. LICENSING

A voluntary licence is a contract between two or more parties and, therefore, respects the principles of privity of contract. The licence granted may be sole, exclusive or non-exclusive. Chapter XVI of the Patents Act 1970 governs the procedure for the grant of compulsory licences for patents in India. The conditions under which a compulsory licence may be granted are outlined in Section 84 of the Patents Act. Furthermore, under Section 92 of the Act, the government can declare that compulsory licences should be issued in respect of any patent in cases of national emergency, extreme urgency, or public non-commercial usage by publishing a notice in the official Gazette. Furthermore, under Section 90(1)(viii) of the amended Act, if a licence is issued to remedy an anticompetitive activity decided by judicial or administrative procedure, the licensee is allowed to export the patented product.

## VIII. REWARD OR INCENTIVE OF INVENTOR

The design of an incentive scheme for innovation is a critical aspect of innovation management. Offering monetary rewards may be one approach to achieving this goal. More creativity would undoubtedly be fueled by meaningful incentives<sup>20</sup>. This is well proven.



<sup>20</sup> Rossman, J. (1963). Rewards and Incentives to Employee-Inventors. *Patent, Trademark and Copyright Journal of Research and Education*, 7, 431. <https://heinonline.org/HOL/Page?handle=hein.journals/idea7&id=441&div=&collection=>

When it comes to rewarding for inventing the pros outweigh the cons<sup>21</sup>. It should not be overlooked; however, this includes;

Providing incentive that is too low may not stimulate the desired effect

Providing incentives that are too high may encourage reward-seeking behavior that may clog the system and dilute the quality of innovation

Many innovation-driven businesses profit from Inventor Incentive Programs. The key is to properly design them, monitor them constantly, measure the output frequently, and make course corrections as needed<sup>22</sup>. This is difficult to do manually. The following instruments should be considered in order to monitor outcomes and link all the dots: innovation disclosures, patent filings, statuses and issuances, commercial rollout, and financial performance. There is no such thing as a guaranteed right.

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<sup>21</sup> *Inventor Incentive Programs—Shouldn't Every Company Have One?* (n.d.). Retrieved February 5, 2021, from <https://www.innovation-asset.com/blog/inventor-incentive-programs-shouldnt-every-company-have-one>

<sup>22</sup> *Koichiro et al. - Monetary Incentives for Corporate Inventors Intri.pdf*. (n.d.). Retrieved February 5, 2021, from <https://www.rieti.go.jp/jp/publications/dp/15e071.pdf>